

**GOVERNMENT  
EXHIBIT**

**150**

S1 05 Cr. 1110 (AKH)(ID)

Robert Streb  
04/20/2004 08:15 PM

To: Peter Grassl/JPMCHASE@JPMCHASE  
cc: Jerry Weiss/JPMCHASE@JPMCHASE, Richard Grabelsky/CHASE@JPMCHASE  
Subject: Prima

How did you go from \$2.0MM NAB to \$4.8MM in 3 buisness days, without knowing something was amiss?

----- Forwarded by Robert Streb/JPMCHASE on 04/20/2004 04:10 PM -----

Peter Grassl  
04/20/2004 04:07 PM

To: Robert Streb/JPMCHASE@JPMCHASE, Jerry Weiss/JPMCHASE@JPMCHASE,  
Richard Grabelsky/JPMCHASE@JPMCHASE, Michael  
Dupnak/JPMCHASE@JPMCHASE

cc:  
Subject: Prima

Attached is the Prima NAB report thru today. As you know I returned on IP this morning - some \$500 in checks they issued were returned as a result. The company advised me that \$1.4MM of credits did not post by 10:30 this morning and that they had \$1.2MM cash in their stores.

As they explained to me their NAB deteriorated last week (beyond the \$2.2MM Cap) when they lost a significant piece of business from Caribbean Airmail which gave them about \$2MM in float regularly for at least 2 days. They have been working to restore their position but will not make it by tomorrow A.M. Again when they agreed to abide by the \$2.2 NAB Cap they did not count on losing the Caribbean Airmail account and they are asking that we work thru this with them.

They are coming in to meet with us tomorrow at 3:00 P.M. and Rich Grabelsky will be able to join. They will bring preliminary 2003 financials, receivables schedule etc. to update us. They are still having serious negotiations with 2 parties about sale of American and a third potential buyer is not in the mix yet. They want to finalize this in late April/Mid May.

Will update you further when we get tomorrow mornings numbers.



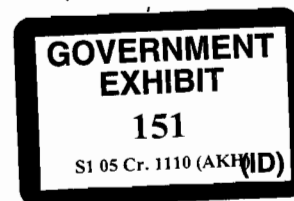
Prima.-NAB-Apr-04.xls.zip

[illegible]

Prima.-NAB-Apr-04

10
Amount
of Loan
(\$3,992,000.00)
(\$3,926,000.00)
(\$3,762,000.00)
(\$3,955,000.00)
(\$4,000,000.00)
(\$4,182,000.00)
(\$4,350,000.00)
(\$4,000,000.00)
(\$3,965,000.00)
(\$4,970,000.00)
(\$3,417,000.00)
(\$4,555,000.00)
(\$4,434,000.00)
(\$6,567,000.00)
\$0.00
\$0.00
\$0.00
\$0.00
\$0.00
\$0.00
\$0.00
\$0.00
(\$60,075,000.00)
(\$4,291,071.43)

Prima.-NAB-Apr-04



**Richard Grabelsky**

04/20/2004 04:37 PM

To: Robert Streb/JPMCHASE@JPMCHASE  
 cc: Peter Grassl/JPMCHASE@JPMCHASE, Jerry Weiss/JPMCHASE@JPMCHASE, Wayne E. Olson/JPMCHASE@JPMCHASE  
 Subject: Re: Prima [icon]

Bob, I have made a quick assessment as to the NAB situation. Like you, I was floored by the change in the NAB from one week to the next. But it seems that one thing that is not taken into account when looking at the NAB is this "Float" issue with Caribbean (just like Travelers in Socol). We need to understand that there is monies owed to other creditors and that they will be paid out of the account unless we can put a stop to it. Therefore, when we look at the NAB at the beginning of the day, we should have a column for any monies due under a float to get a real picture as to what the exposure could be if that payment is allowed to be made. In this case, Caribbean was paid in full and that is what drove the NAB to somewhere between \$3MM - \$3.5MM. I think that is the correct exposure at this point. The jump to \$4.8MM was due to deposits not be made timely. I would think that if those deposits are included in tomorrow's numbers, the NAB should be reduced. This is a quick assessment of the situation and I would have to do some more research on their account over the last 20 days to get a better feel for it.

We will be meeting with the customer tomorrow and have a better understanding as to where we are and a time frame for payout from the sale of American Armored.

Robert Streb

**Robert Streb**  
 04/20/2004 04:15 PM

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To: Robert Streb/JPMCHASE@JPMCHASE, Jerry Weiss/JPMCHASE@JPMCHASE, Richard Grabelsky/JPMCHASE@JPMCHASE, Michael Dupnak/JPMCHASE@JPMCHASE  
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**JPMC 023994**

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Prima.-NAB-Apr-04.xl

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**JPMC 023995**

**GOVERNMENT  
EXHIBIT**

**152**

S1 05 Cr. 1110 (AKH)(ID)

Jerry Weiss  
04/20/2004 04:25 PM

SBFS RISK MANAGEMENT 212-552-4290

To: Robert Streb/JPMCHASE@JPMCHASE, Peter Grassl/JPMCHASE@JPMCHASE  
cc: Richard Grabelsky/CHASE@JPMCHASE  
Subject: Re: Prima [ ]

I do not understand how their loss of this customer could significantly change their NAB - I think of our lending as a support for intraday activity - not as a float enabler.....this increase in NAB says the business flows are fundamentally flawed.....feels like Airport on speed. My gut says we may have to return again tomorrow

Jerry

Robert Streb

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04/20/2004 04:15 PM

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JPMC 023998**



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Will update you further when we get tomorrow mornings numbers.



Prima.-NAB-Apr-04.xl

Jul-21-04 10:15am From: American Monetary Systems, Inc.

+814 347 2919

T-046 P.003/004 F-744

GOVERNMENT  
EXHIBIT

156

S1 05 Cr. 1110 (AKHND)

Affiliate Groups:

American Armored Car, Ltd.

American Check Cashing &  
Financial Services

American Gun &amp; Uniform Supply

April 29, 2004

Mr. Richard H. Grabelsky  
Vice President, Commercial Loan Recovery  
JPMorgan Chase Bank  
One Chase Plaza, 21<sup>st</sup> Floor  
New York, NY 10081

*ATTN: Mr. D.*

RE: Prima Check Cashing Account NAB Analysis

Dear Mr. Grabelsky,

In reviewing our NAB balances as you requested, we began in January 2004. At the end of 2003, American Armored Car (AAC) lost to two customers that had a negative effect on Prima's account.

The customer's were Apple Metro (Applebee's) and Strauss Auto. Apple Metro was serviced four times a week. The money was counted and sold to Prima, which we then was sold to Mount Vernon Money Centers (MVMC) for same day credit (wire) while depositing a check in the clients account for payment of funds the next business day. Strauss Auto was picked up twice a week, we sold the money on the same day as wire was sent to customer. However, we realized a NAB benefit because MVMC wire instructions were sent prior to 10:30am and included in our NAB calculations. The negative impact of around \$1,000,000 was not seen in the first quarter due to high volume check deposit relating top tax season. Our Check deposits are up \$1,500,000 YTD from 2003 which includes one less operating store (JFK) which is in the process of being relocated by the Port Authority. As tax checks and rapid refunds dwindled, towards the end of March and beginning of April, we started to see an increase in our NAB. This can be confirmed by comparing MVMC wires received on Mondays and Fridays at the end of 2003 versus the beginning of 2004.

In late March and early April, our NAB balances started to increase due to the decline of check deposits and float causing checks to be returned to clients unpaid. The second time it happened to Caribbean Air Mail (CAM), they stopped their armored car service. CAM was serviced daily, and a check was deposited into the customers account on the second day after pickup. The reason for the two day delay was that these deposits were large and if MVMC couldn't use it we would need the time to find another buyer. These deposits totaled anywhere from \$300,000 to \$700,000 a day. Considering these checks were deposited on the 2<sup>nd</sup> day after pickup and took a minimum of one day to clear, we benefited an average float of approximately \$2,000,000.

Borough Hall Tobacco (BHT) followed suit when we bounced the check on them the second time. BHT daily pickups averaged \$60,000 and checks were deposited in their account the next day. This



Jul-21-04 10:15am From-American Monetary Systems, Inc

+814 347 2818

T-046 P.004/004 F-744

• Page 2


April 29, 2004

affected our NAB by an average \$120,000. At this point we met with you and advised you of our plan to sell American Armored Car. We immediately started the process of separating the two operations. This caused an additional burden on our funding needs as we ceased buying money and gaining float from the remaining American Armored accounts such as McDonald's, Sheridan Hotel, and Lowe's theaters. The cumulative effect on the NAB from these three accounts was a decrease of \$200,000 to \$300,000. These decreases were predominant on Monday, Wednesday, and Friday.

Finally, due to the loss of the aforementioned float of approximately \$3,500,000 - \$4,000,000. The following should be noted. Deposits from MVMC have ceased and any activity with AAC will be normal Armored Car / Check Cashier activity, such as selling AAC any excess funds we may take in on the weekend to limit JPMorgan Chase exposure. The currency on hand and the currency orders have been reduced to the operating minimum. Also, our outstanding checks have been reduced substantially which will prevent the large swings in our NAB balances that has been seen in the past.

Thank you for your patience and cooperation.

Sincerely,

  
Dominick Colasuonno  
President

Prima Check Cashing, Inc. d/b/a American  
Check Cashing and Financial Services

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JPMC 024364